

ARKANSAS PUBLIC SERVICE COMMISSION

Sch 24-A

Sheet No. 12

ARK. PUBLIC SERV. COMM

SECRETARY OF COMM.

Southwest Arkansas Telephone Cooperative, Inc.
Name of Company

2012 MAY 29 A 8:13

Schedule No.: 24

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Title: LIFELINE ASSISTANCE PROGRAM

SCHEDULE 24-A

2.4 QUALIFICATIONS

2.4.1 General

2.4.1.1 To qualify for lifeline service, applicants must be participants in certain governmental programs or qualify through a low income threshold.

2.4.2 Qualification through Governmental Program Participation

(CT)

2.4.2.1 To qualify for lifeline service through governmental program participation applicants must participate in at least one (1) of the following governmental programs as contained in 47 CFR §54.400 and for Texas customers P.U.C. Subset. R. 26.412:

1. Department of Housing and Urban Development
2. Medicaid
3. Food Stamps
4. Supplemental Security Income (SSI)
5. Federal Public Housing Assistance Program
6. Low Income Home Energy Assistance Program
7. Temporary Assistance for Needy Families (TANF)
8. National School Lunch (NSL) Program's Free Lunch Program

2.4.3 Qualification through low income eligibility

2.4.3.1 To qualify through low income eligibility, the applicant's income as defined in Sec. 54.400(f) must be at or below 135% of the federal poverty guidelines.

(AT)

2.4.3.2 Texas customers only, to qualify through low income eligibility, the applicant's income as defined in Sec. 54.400 (f) and in Texas P.U.C. Substantive Rule 26.412 must be at or below 150% of the federal poverty guidelines.

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SCHEDULE 24-A

2.5 CERTIFICATION

2.5.1 General

2.5.1.1 Applicants for lifeline must meet the eligibility guidelines. A certification process shall be used to ensure only eligible applicants receive lifeline service.

2.5.2 Certification of eligibility through low income qualification.

(CT)

2.5.2.1 Per F.C.C. orders, each subscriber must provide certain certifications when enrolling in the Lifeline program. New Lifeline subscribers must provide documentation of program-based eligibility, which the Telephone Company enrolling the subscriber should review, but not retain. Should the subscriber attempt to certify based on income, the Telephone Company shall be provided supporting documentation in order to complete the certification. The certifying document shall also include the requirement that the consumer will notify this ETC if the consumer's income exceeds 135% of the Federal Poverty Guidelines.

(AT)

2.5.2.2 Texas customers only, to qualify through low income eligibility, the applicant's income as defined in Sec. 54.400 (f) and in Texas P.U.C. Substantive Rule 26.412 must be at or below 150% of the federal poverty guidelines.

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(RT)

2.5.2.2 (Reserved for future use)

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2.5.3 Certification of eligibility through participation in governmental programs.

(CT)

2.5.3.1 The applicant's eligibility for lifeline service due to participation in governmental programs shall be certified by the applicant in coordination with the governmental entity providing, monitoring, or reviewing program participation. For instance, many programs may be provided by the Department of Human Services, Department of Health, and local school districts. This ETC will coordinate with the applicant and the appropriate governmental entity to ensure proper certification. This ETC shall establish appropriate procedures that include self-certification by applicants, under penalty of perjury, that the applicant receives benefits from the eligibility programs and identify the program or programs from which the applicant receives benefits. The certifying document shall also include the requirement that the consumer will notify this ETC if the consumer ceases to participate in the program or programs.

2.6 CONSUMER COMPLAINT RESOLUTION

2.6.1 General

2.6.1.1 The Federal Lifeline Program requires a consumer complaint resolution process. The Arkansas Public Service Commission has determined in Order No. 1 of Docket No. 05-038-U that any ETC, which maintains tariffs and is subject to the Public Service Commission's consumer complaint procedures, meet the dispute resolution requirements for Lifeline. This ETC is subject to the Public Service Commission's consumer complaint procedures and shall use the Public Service Commission's consumer complaint procedures to meet the dispute resolution requirements for Lifeline.

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2.7 VERIFICATION OF CONTINUED ELIGIBILITY

2.7.1 General

(CT)

2.7.1.1 The Lifeline program requires this ETC to annually monitor the continued eligibility of Lifeline participants by requiring each Lifeline subscriber, both existing subscribers and new subscribers, to provide annual self-certifications attesting to their continued eligibility of the program. During the re-certification process of year 2012, the Telephone Company shall re-certify all of their subscribers claimed on their June FCC Form 497 and report the results of this annual re-certification process to the Commission, USAC and the Arkansas State Commission by the end of 2012. Beginning in 2013, this Telephone Company will annually choose to either, where ETCs cannot re-certify their subscribers by accessing a database, they must re-certify their Lifeline customers on an annual basis or elect to have USAC re-certify them. Also, should the Telephone Company choose to use a state or federal program database to confirm a consumers ongoing eligibility for Lifeline, the annual re-certification will not be implemented.

(RT)

2.7.2 (Reserved for future use)

(RT)

2.7.2.1 (Reserved for future use)

(RT)

2.7.2.2 (Reserved for future use)

ARKANSAS PUBLIC SERVICE COMMISSION

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Southwest Arkansas Telephone Cooperative, Inc.
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SCHEDULE 24-A

2.8 PROCESS FOR TERMINATION OF LIFELINE BENEFITS

2.8.1 General

2.8.1.1 A consumer's eligibility for Lifeline may be terminated due to failure to maintain qualifications for Lifeline. This ETC shall follow the required process for termination of Lifeline benefits.

2.8.2. Process

2.8.2.1 Customers will be notified of the impending termination of Lifeline benefits in a letter separate from the consumer's monthly bill.

2.8.2.2 The customer will have up to sixty (60) days from the date of the termination letter in which to demonstrate his or her continued eligibility before Lifeline support is discontinued.

2.8.2.3 A customer who appeals must present proof of continued eligibility consistent with the above Lifeline qualifications.

2.8.2.4 This ETC will terminate Lifeline services for subscribers who fail to demonstrate continued eligibility within the sixty (60) day time period.

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2.9 RECORD RETENTION POLICY

2.9.1 General

2.9.1.1 The Federal Communications Commission has established specific record retention requirements for the Lifeline certification process. This ETC will have specific procedures to ensure its record retention policy complies with legal requirements.

(RT)

2.9.1.2 This ETC, through its own recordkeeping, shall maintain certification records for the period of time required by the Federal Communications Commission for all Lifeline participants.

2.9.1.3 This ETC shall retain certifications, signed by the subscriber, regarding the consumer's eligibility for Lifeline, including self-certifications, that income documentation accurately reflects the household income. This certification shall be retained at least as long as the consumer receives Lifeline service from this ETC or until this ETC is audited by the Administrator. This ETC shall maintain certifications for subscribers terminating Lifeline service for at least three (3) years after termination. Such records shall be maintained in compliance with all federal and Public Service Commission requirements and such records shall be provided to the Administrator or the Public Service Commission upon proper request.

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2016 Progress Report

For Southwest Arkansas Telephone Cooperative, Inc.

401724

In its USF / ICC Transformation Order and subsequent Orders, the Federal Communications Commission ("FCC " or "Commission") requires Eligible Telecommunications Carriers ("ETCs") to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(ii) for the Commission's Rules by July 1, 2014 and to submit annual progress reports thereafter. Section 54.202(a)(1)(ii) states in part that ETCs are to submit a five-year plan that describes with specificity proposed improvements or upgrades to the ETC's network throughout its proposed service area. Each ETC shall estimate the area and population that will be served as a result of the improvements.

In its March 5, 2013 Order, the FCC specified that for rate-of-return carriers, the five-year plans "should describe the carrier's network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories". Southwest Arkansas Telephone Cooperative, Inc. ("SWAT") is a rate-of-return carrier ETC and submitted its five-year network improvement plan in the 2015 submission, which was filed in June 2014. SWAT now submits its SECOND Progress report in this, 2017 submission.

This progress report will focus on the activities that have transpired to-date, since the 2016 Progress Report was submitted in June of 2015, for the entire funding of year 2015 as well as activities, which have transpired during the months of 2016 up to the submission date of this report. As a point of reference and for historical

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purposes, SWAT will include the original 5-year plan filed in the 2015 Submission and the First Progress Report, which was included in the 2016 Submission.

Estimated Federal Support for 2016 – (114)

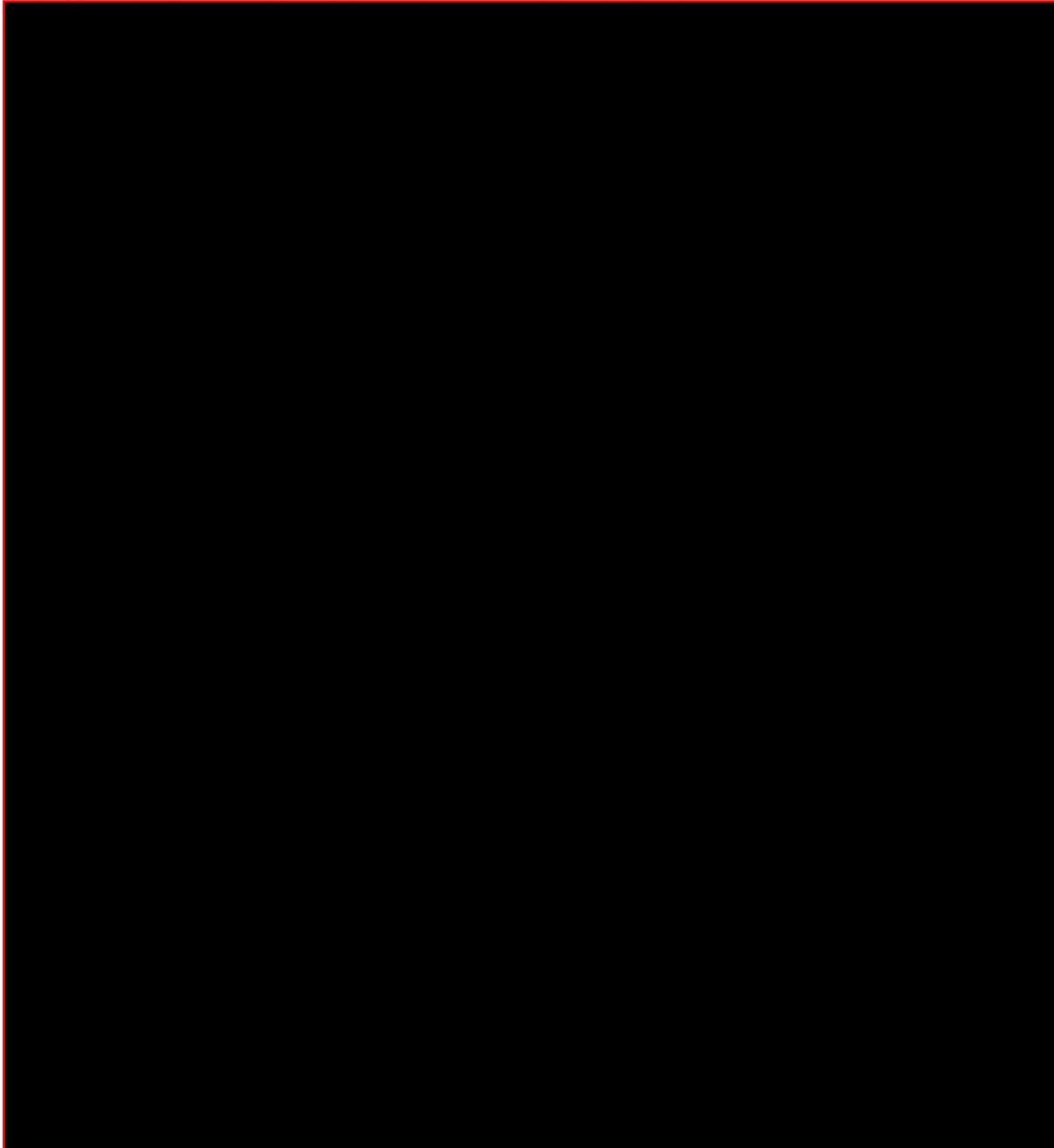
Per the Universal Service Administration Corporation's (USAC) Third Quarter 2016 projected support, SWAT estimates their support funds in the following manner:

Connect America ICC Annual Support:	\$ 356,940
High Cost Loop Support Annual Support:	\$ 4,009,752
Interstate Common Line Annual Support:	<u>\$ 2,652,132</u>
Total Estimated Annual Support:	\$ 7,018,824

Summary of 2016 Progress – (115), (116), (117)



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Explanation of network improvement targets not met – (118)

SWAT is happy to report that no targets were left unmet in the prior calendar year.

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Map detailing its progress toward meeting its plan targets – (113)



Historical - 2015 Progress Report submitted in 2016 Report

For Southwest Arkansas Telephone Cooperative, Inc.

401724

In its USF / ICC Transformation Order and subsequent Orders, the Federal Communications Commission ("FCC " or "Commission") requires Eligible Telecommunications Carriers ("ETCs") to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(ii) for the Commission's Rules by July 1, 2014 and to submit annual progress reports thereafter. Section 54.202(a)(1)(ii) states in part that ETCs are to submit a five-year plan that describes with

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specificity proposed improvements or upgrades to the ETC's network throughout its proposed service area. Each ETC shall estimate the area and population that will be served as a result of the improvements.

In its March 5, 2013 Order, the FCC specified that for rate-of-return carriers, the five-year plans "should describe the carrier's network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories". Southwest Arkansas Telephone Cooperative, Inc. ("SWAT") is a rate-of-return carrier ETC and submitted its five-year network improvement plan in the 2015 submission, which was filed in June 2014. SWAT now submits its first Progress report in this, 2016 submission.

This progress report will focus on the activities that have transpired to-date in funding year 2015 as well as activities which are planned to transpire during the remainder of 2015. As a point of reference and for historical purposes, SWAT will include the original 5-year plan filed in the 2015 Submission.

Estimated Federal Support for 2015 – (114)

Per the Universal Service Administration Corporation's (USAC) Third Quarter 2015 projected support, SWAT estimates their support funds in the following manner:

Connect America ICC Annual Support:	\$ 648,096
High Cost Loop Support Annual Support:	\$ 3,922,020
Interstate Common Line Annual Support:	\$ 2,424,168
Total Estimated Annual Support:	\$ 6,994,284

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Summary of 2015 Progress – (115), (116), (117)



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Map detailing its progress toward meeting its plan targets – (113)

Attachment A – 



HISTORICAL 5 YEAR PLAN SUMMITED IN THE 2015 SUBMISSION

- I. The Challenges Faced by the Cooperative in Providing Voice and Broadband to its Rural Service Area**
- A. Description of the Company and its Service Area**

Southwest Arkansas Telephone Cooperative's service area is located in Miller County, Hempstead County, Howard County, and Columbia County in Arkansas and Cass County in Texas. SWAT provides both voice and broadband to these

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areas. The serving area is very rural with extremely long loop lengths and low per subscriber per mile counts. The area is predominantly rural with farming, pulpwood, oil and gas productions being the main sources of income. Texarkana is the major commercial center for the area. Minor commercial centers in the area include Hope and Magnolia in Arkansas and Atlanta in Texas. SWAT faces many challenges in providing services within its serving area, including rivers crisscrossing its serving area, multiple railroads operating within its serving area, a multitude of different type of soil considerations, and many oil and gas pipelines throughout its serving area. All of these factors, combined with the low population density, make construction complicated and expensive.

B. The Exchanges Contained Within the Company's Study Area

SWAT owns and operates seven (7) exchanges in southwestern Arkansas and one (1) in northeastern Texas. These exchanges are Doddridge, Emerson, Fouke, Fulton, Garland, Trigg, and Washington in Arkansas and Bloomburg in Texas.

II. The Company Has Used and Will Use Universal Service Support Only for the Intended Purpose

Section 254(e) of the Communications Act of 1934, as amended requires ETCs to use Universal Service Support ("USF") only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Pursuant to Section 54.314 of the FCC's rules, in order for state-designated ETCs to receive USF for the coming year, states must annually file certifications by October 1 stating that all federal high-cost support provided to such carriers within the state "was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." ETCs not designated by the state must file similar certifications with the FCC.

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In its USF/ICC Transformation Order, the FCC clarified that prior to making the Section 254(e) certifications, states should conduct a "rigorous examination of the factual information" contained in the annual Section 54.313 reports, of which the five year network improvement plan and annual progress reports are a part, in determining whether they can certify that carriers' support has been used and will be used only for the purpose for which the support was intended. The FCC said that it would also use the reports to verify certifications filed by ETCs that are not state-designated. In this context, the Commission stated, "in light of the public interest obligations we adopt in this Order, a key component of the Section 254(e) certification will now be that support is being used to maintain and extend modern networks capable of providing voice and broadband service.

Essentially, under the existing rules and processes, the federal USF received by the Company and other incumbent rural telephone companies are, in fact, an integral part of the recovery of expenditures of rural incumbent local exchange carriers incurred in the provision, maintenance and upgrading of their provision of facilities and services for which the USF is intended. Southwest Arkansas Telephone Cooperative, Inc. depends upon its receipt and utilization of federal

universal service support to provide rural telephone customers with affordable and quality voice and broadband services.

Accordingly, given the critical role the network improvement plan and the progress reports will have in the annual Section 254(e) certification process, Southwest Arkansas Telephone Cooperative, Inc.'s plan and progress reports will demonstrate not only how SWAT has used and will use USF not only for improvements and upgrades, but also for the provision and maintenance of the facilities and services to which the support was intended.

III. The Company's Five-Year Network Improvement Plan

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When the Commission adopted its five-year plan requirements for FCC designated ETCs in its 2005 ETC Order, it set forth the following criteria as to how the ETC is

to describe with "specificity" the proposed improvements or upgrades to the ETC's network throughout its service area:

- (1) how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; (2) the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; (3) the specific geographic areas where the improvements will be made; and (4) the estimated population that will be served as a result of the improvements.

In that order, the FCC clarified that service quality improvements in the five-year plan "do not necessarily require additional construction of network facilities." Accordingly, the improvements listed in the plan may be projects related to the expansion of the network (one or multiple service), projects related to updating technology to accommodate new services or higher bandwidth or maintenance projects, such as to reduce trouble reports and replace outdated equipment.

Additionally, in some cases, the projects may be ones that improve or upgrade the entire network rather than discrete areas within a study area or they may be ones that are ongoing projects that have no specific start and completion dates.

The instructions to the Form 481 state "recipients may describe where improvements are expected to occur by wire center or census block, as appropriate. To the extent no improvements are planned in specific areas, the five-year plan should so indicate." The instructions also require that in subsequent annual progress reports which must include the total amount of universal support received must provide this information "broken out separately by the amount spent on capital expenses and the amount spent on operating expenses."

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Accordingly, the Company's five-year plan separately provides both capital expenditures and operating expenses.

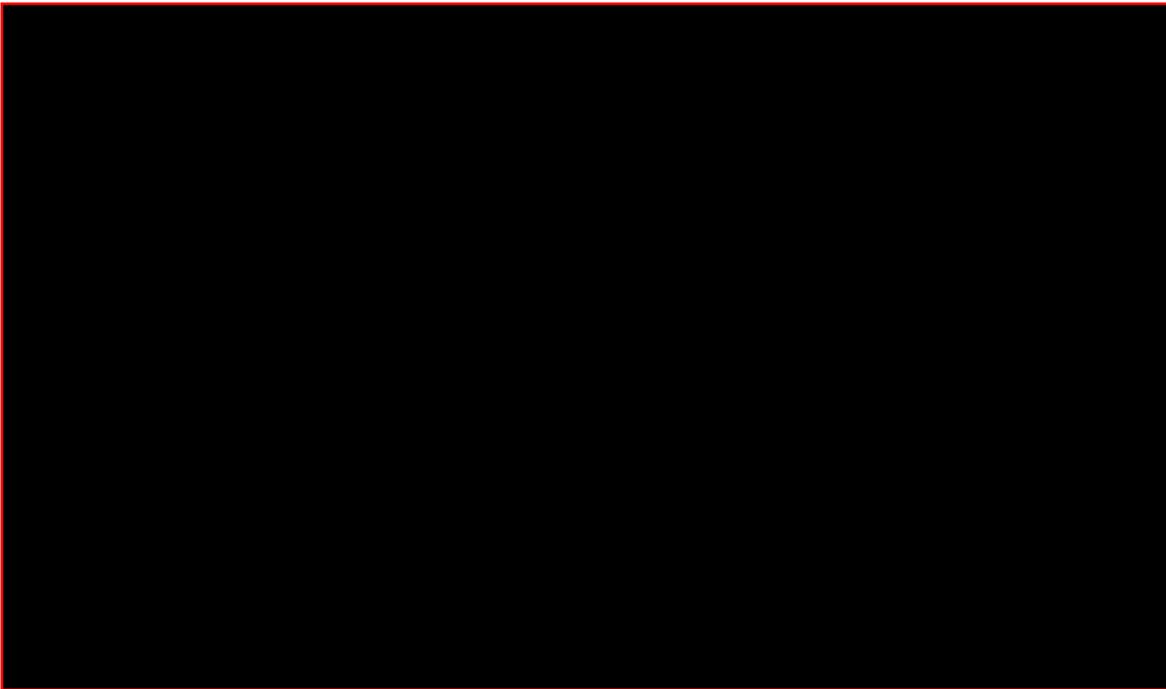
A. The Company's Major Network Improvement Projects

Based upon this framework, Appendix A reflects Southwest Arkansas Telephone Cooperative, Inc.'s major network improvement projects for the five calendar years 2015 through 2019 along with the start and completion dates, capital cost, areas and population associated with those projects

B. How These Projects Will Improve the Network

Below is a detailed description of each project listed in appendix A.

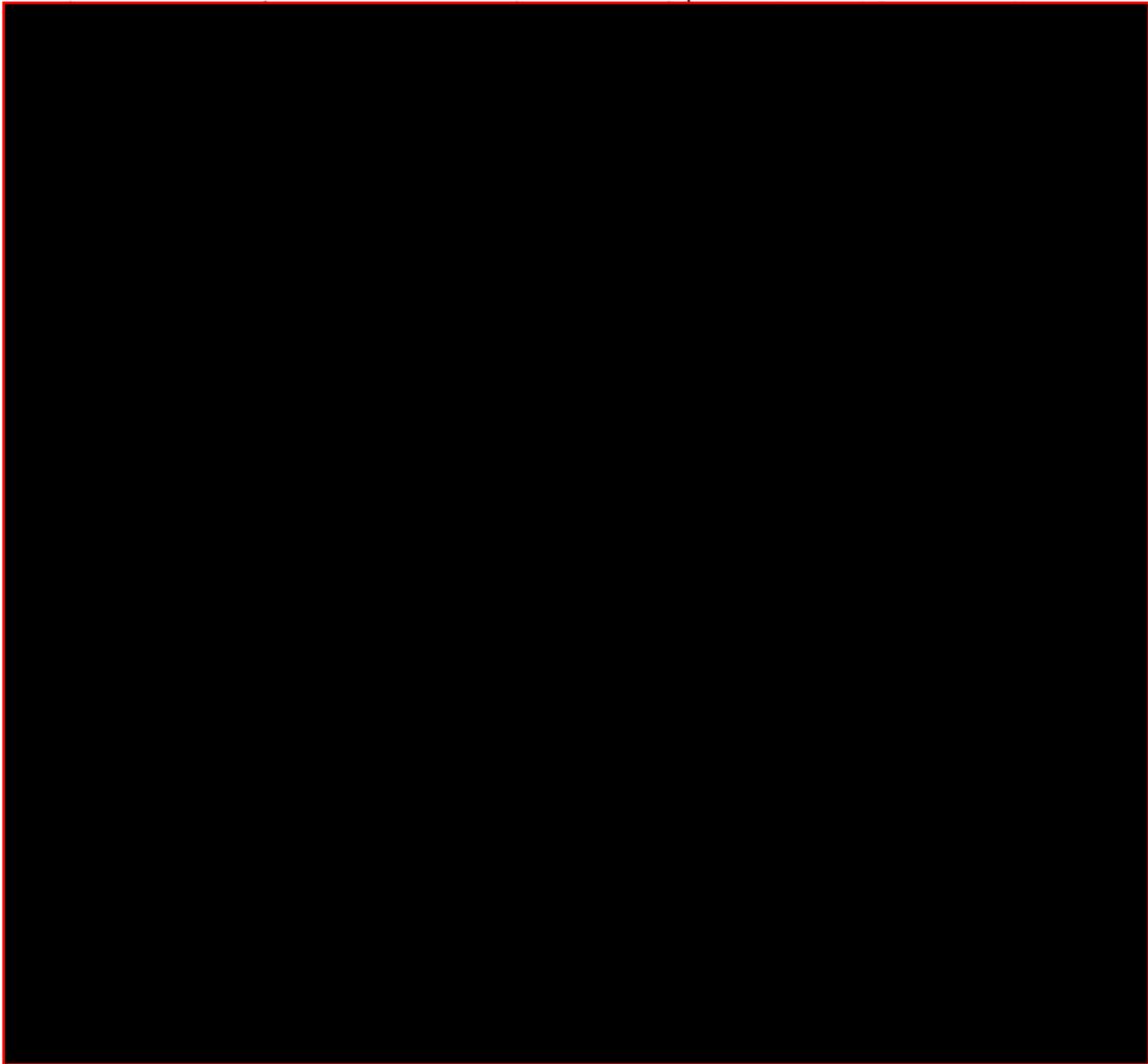
Project Number 1 -



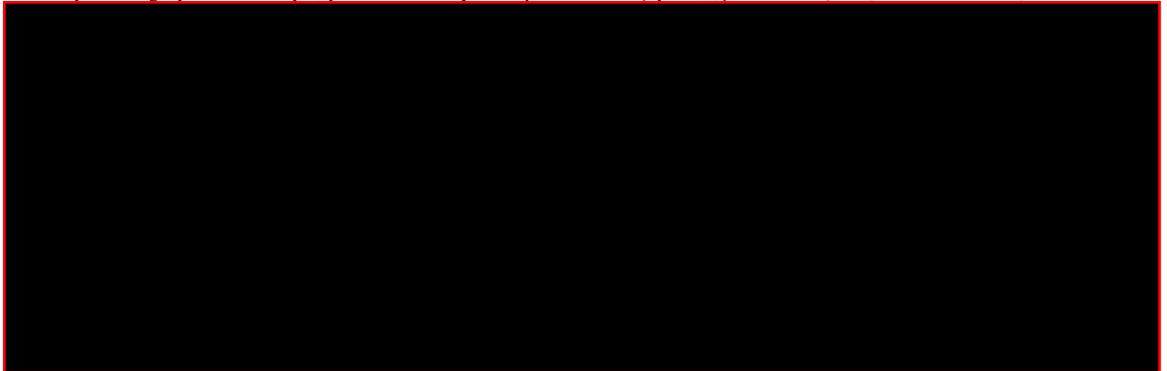
Project Number 2 -



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Project Number 4 -



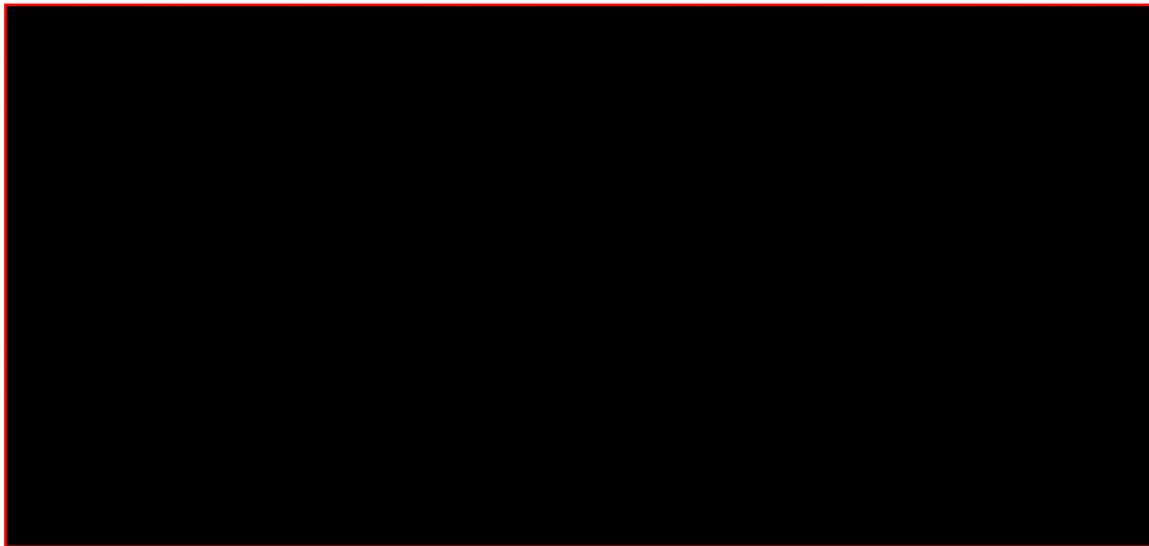
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Project Number 5 -



Project Number 6 -



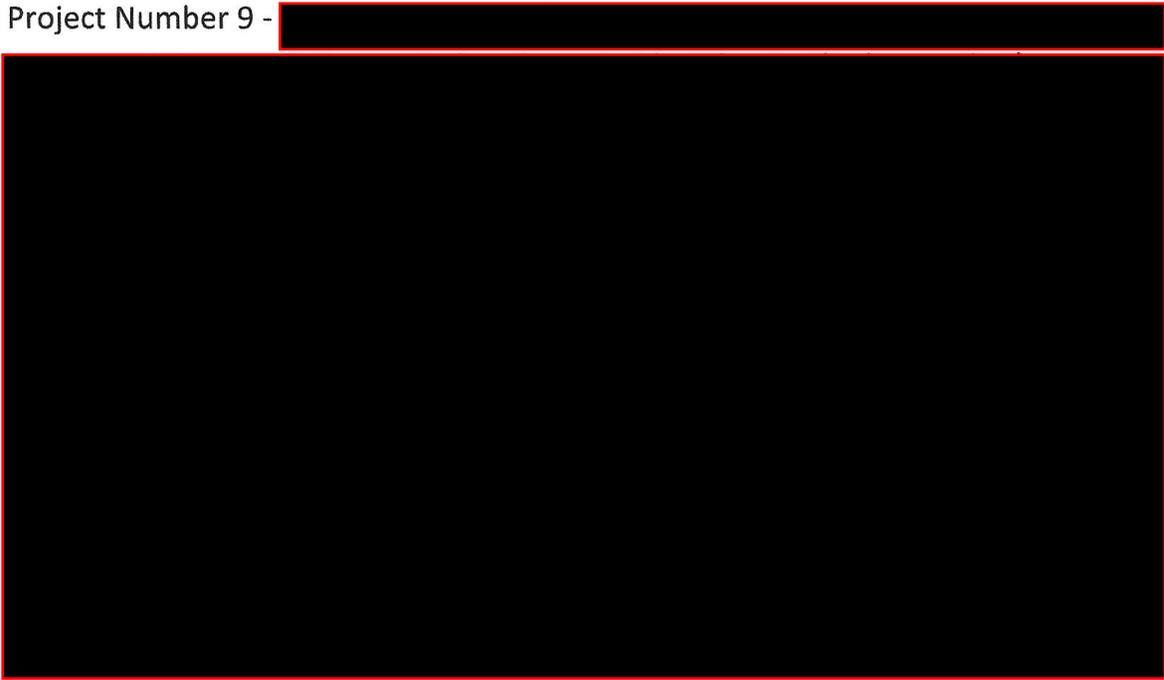
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Project Number 7 - [REDACTED]



Project Number 8 - [REDACTED]



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Project Number 9 -



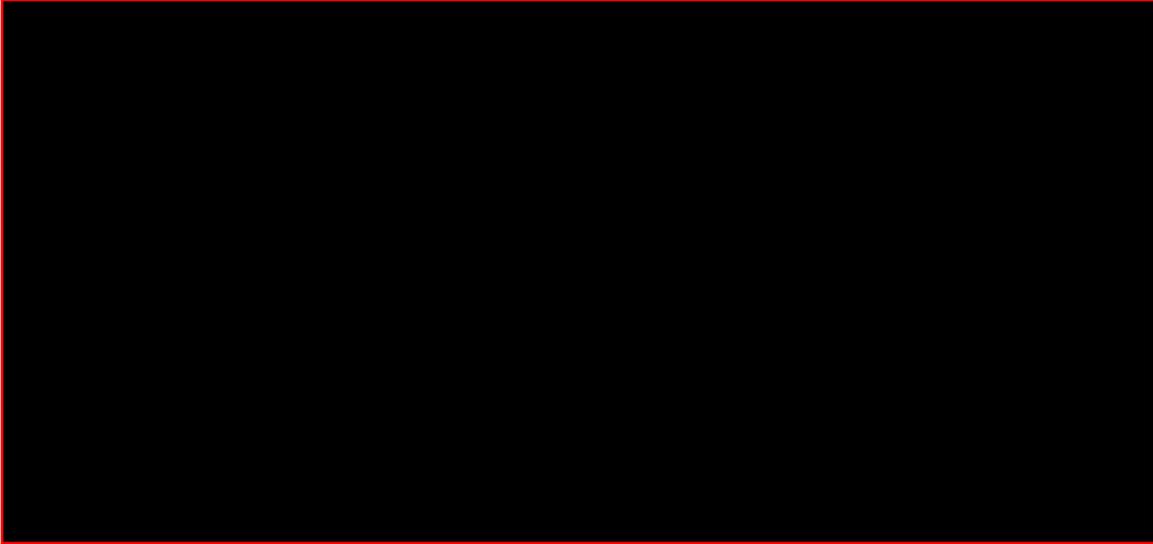
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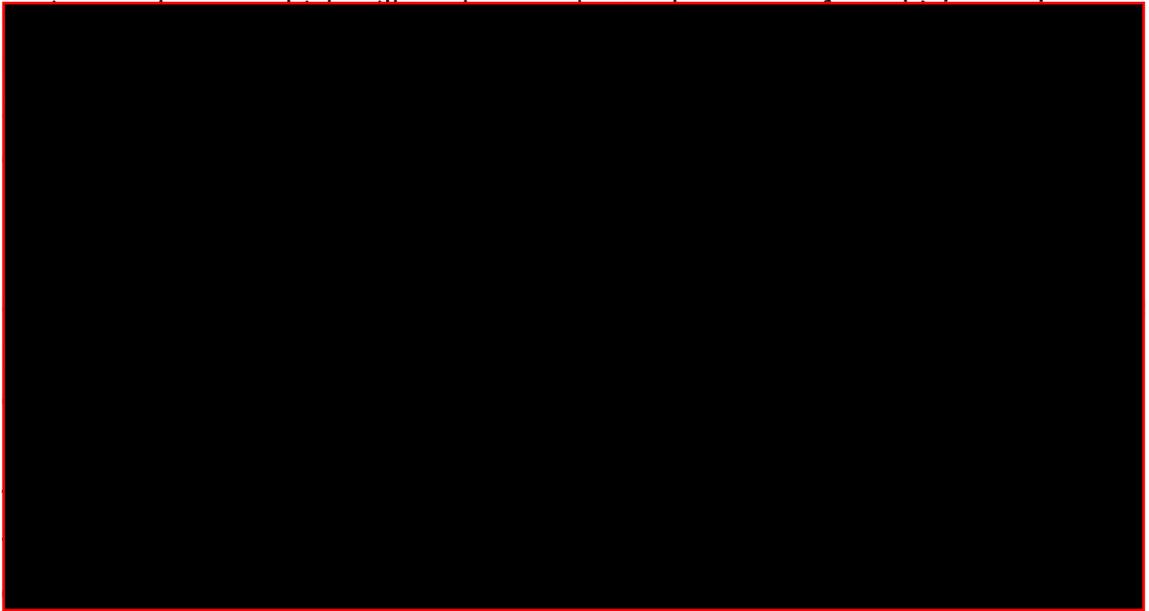
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Project Number 12 - [Redacted]



Project Number 13 - [Redacted]



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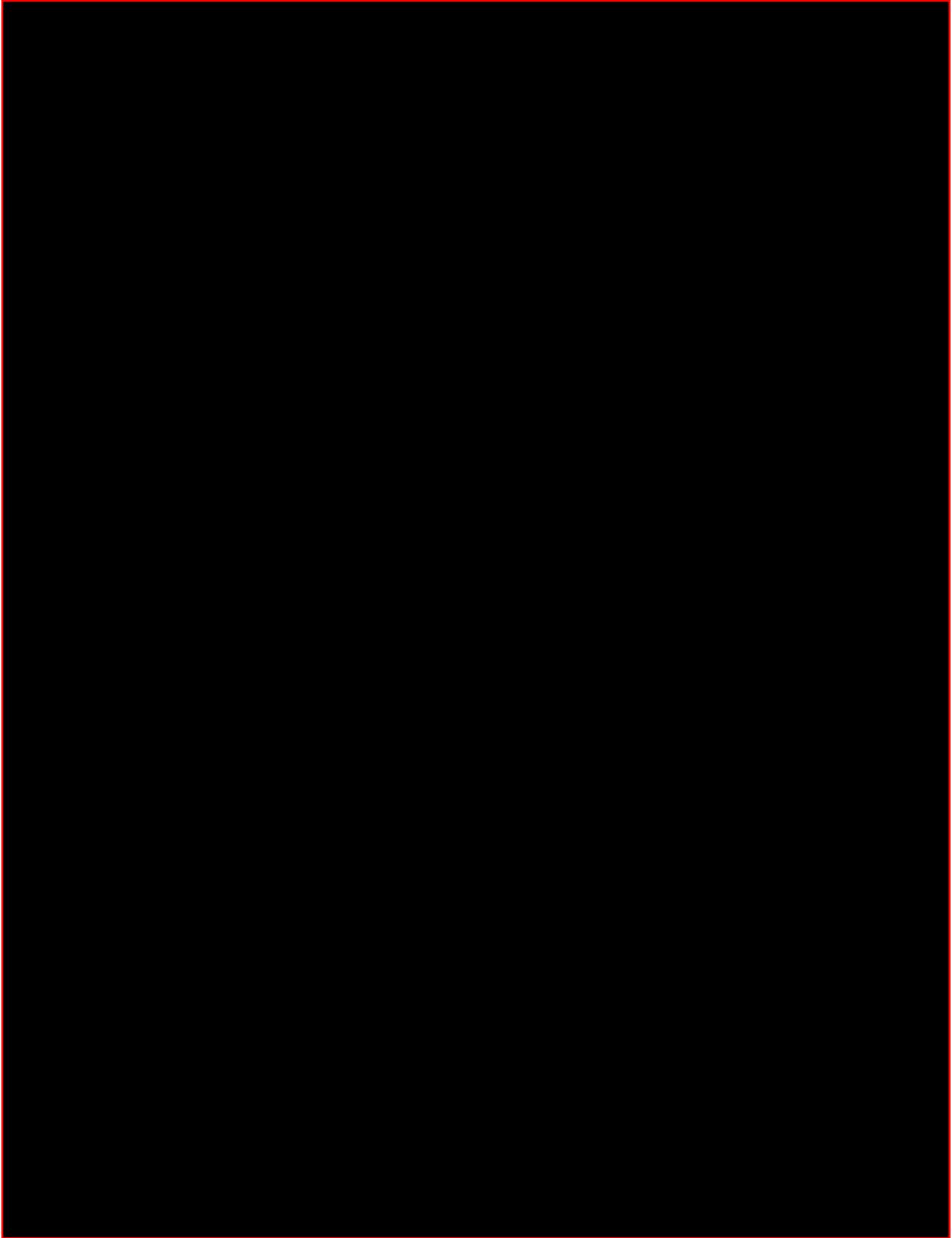


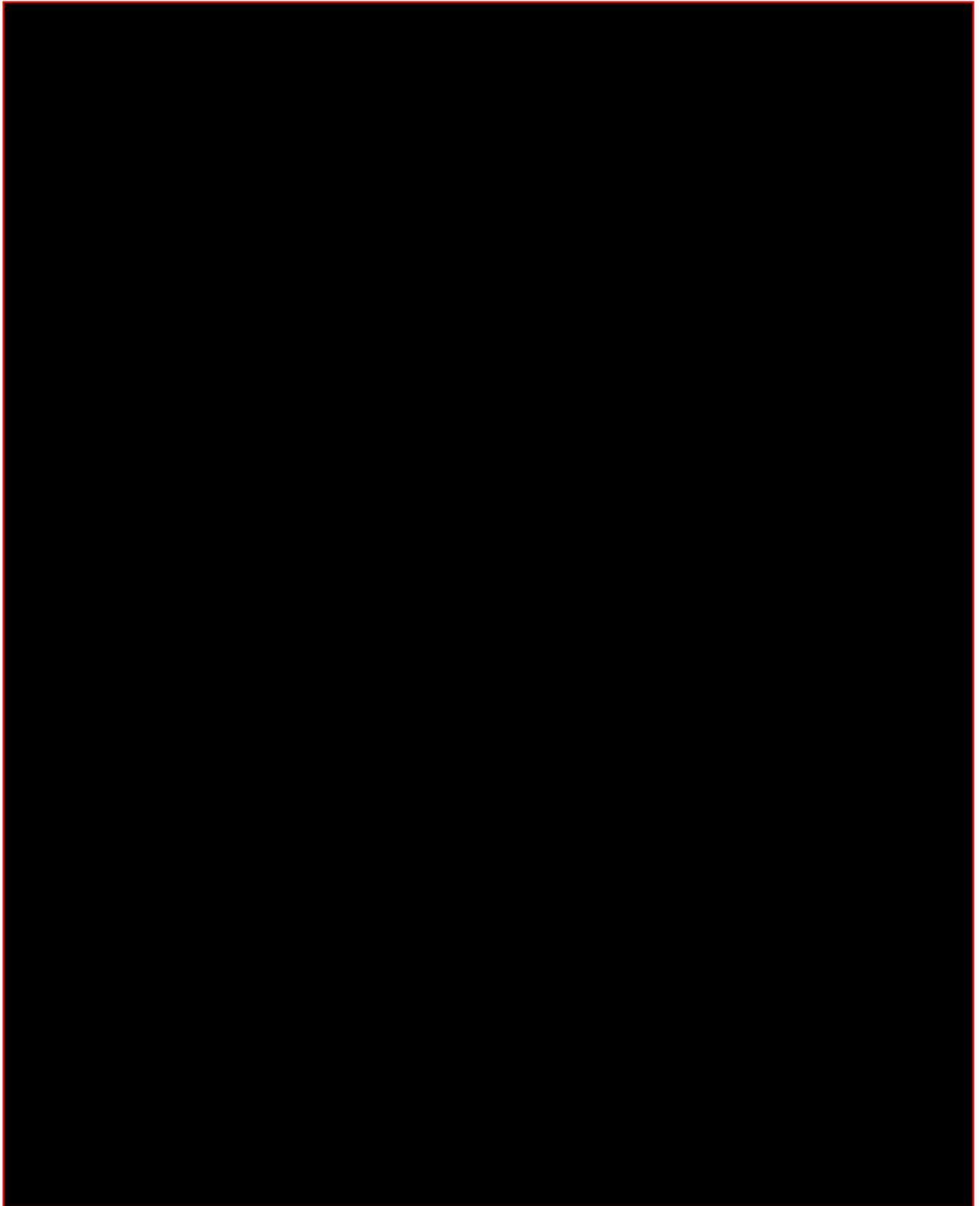
Project Number 14 - [REDACTED]



Southwest Arkansas Telephone Cooperative

Attachment A





Southwest Arkansas Telephone Cooperative, Inc.

Response to Lines 3010 – Milestone Certification

Southwest Arkansas Telephone Cooperative, Inc. (“Company”) hereby certifies that they have taken reasonable steps to provide upon reasonable request broadband service at actual speeds, as required, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonable comparable to comparable offerings in urban areas, and that requests for such service are met within a reasonable amount of time as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.313(f)(1)(i).

Southwest Arkansas Telephone Cooperative, Inc.

Response to Lines 3012 – Newly Served Anchor Institutions

Southwet Arkansas Telephone Cooperative, Inc. (“Company”) hereby certifies that they have had no new requests for broadband service from any community anchor institution during the preceding calendar year.

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		AR0514	
INSTRUCTIONS- See RUS Bulletin 1744-2		PERIOD ENDING	
		December, 2015	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM	PRIOR YEAR	THIS YEAR	
1. Local Network Services Revenues			
2. Network Access Services Revenues			
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues			
5. Miscellaneous Revenues			
6. Uncollectible Revenues			
7. Net Operating Revenues (1 thru 5 less 6)			
8. Plant Specific Operations Expense			
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)			
10. Depreciation Expense			
11. Amortization Expense			
12. Customer Operations Expense			
13. Corporate Operations Expense			
14. Total Operating Expenses (8 thru 13)			
15. Operating Income or Margins (7 less 14)			
16. Other Operating Income and Expenses			
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes			
20. Total Operating Taxes (17+18+19)			
21. Net Operating Income or Margins (15+16-20)			
22. Interest on Funded Debt			
23. Interest Expense - Capital Leases			
24. Other Interest Expense			
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)			
27. Nonoperating Net Income			
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income			
31. Total Net Income or Margins (21+27+28+29+30-26)			
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year			
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]			
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)			
44. Annual Debt Service Payments			
45. Cash Ratio [(14+20-10-11) / 7]			
46. Operating Accrual Ratio [(14+20+26) / 7]			
47. TIER [(31+26) / 26]			
48. DSCR [(31+26+10+11) / 44]			

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS INSTRUCTIONS - See RUS Bulletin 1744-2	BORROWER DESIGNATION AR0514 PERIOD ENDED December, 2015
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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION							
EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Bloomburg	33.15	17.65					
Doddridge	26.15	15.25					
Emerson	18.65	15.25					
Fouke	26.15	15.25					
Fulton	18.65	15.25					
Garland	26.15	15.25					
Trigg	26.15	15.25					
Washington	18.65	15.25					
MobileWireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges	8						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS INSTRUCTIONS - See RUS Bulletin 1744-2	BORROWER DESIGNATION AR0514 PERIOD ENDED December, 2015
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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Details on Least Expensive Broadband Service					Type Of Technology (g)
			Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	
Bloomburg	[REDACTED]							
Doddridge								
Emerson								
Fouke								
Fulton								
Garland								
Trigg								
Washington								
Total								

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION AR0514 <hr/> PERIOD ENDING December, 2015
INSTRUCTIONS- See RUS Bulletin 1744-2	

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
------------------------	------------------------	------------------------	---------------------------------	-------------------------------

PART E. TOLL DATA

1. Study Area ID Code(s) a. 401724 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one) Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
---	--

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION AR0514
	PERIOD ENDING December, 2015

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

YES NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	
5. Land and support assets - Buildings	
6. Land and support assets - Furniture and Office equipment	
7. Land and support assets - General purpose computers	
8. Central Office Switching - Digital	
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

USDA-RUS	BORROWER DESIGNATION AR0514
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	PERIOD ENDED December, 2015
INSTRUCTIONS – See help in the online application.	
PART I – STATEMENT OF CASH FLOWS	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	
4. Add: Amortization	
5. Other (Explain) Retirements	
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. Net Cash Provided/(Used) by Operations	
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain) Interest Receivable	
23. Net Cash Provided/(Used) by Financing Activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain) Prior Period Adjustments	
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	

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